

FIRST REGULAR SESSION  
[PERFECTED]  
HOUSE SUBSTITUTE FOR  
**HOUSE BILL NO. 715**  
**91ST GENERAL ASSEMBLY**

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Taken up for Perfection May 1, 2001.

House Substitute for House Bill No. 715 ordered Perfected and printed, as amended.

TED WEDEL, Chief Clerk

1756L.02P

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**AN ACT**

To repeal sections 197.305, 197.310, 197.315, 197.366 and 197.367, RSMo 2000, relating to entities funded in whole or in part by the department of social services, and to enact in lieu thereof thirteen new sections relating to the same subject.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 197.305, 197.310, 197.315, 197.366 and 197.367, RSMo 2000, are  
2 repealed and thirteen new sections enacted in lieu thereof, to be known as sections 197.305,  
3 197.310, 197.315, 197.370, 197.372, 197.374, 197.376, 197.378, 197.380, 197.382, 197.384,1  
4 and 2, to read as follows:

197.305. As used in sections 197.300 to 197.366, the following terms mean:

- 2 (1) "Affected persons", the person proposing the development of a new institutional  
3 health service, the public to be served, and health care facilities within the service area in which  
4 the proposed new health care service is to be developed;  
5 (2) "Agency", the certificate of need program of the Missouri department of health;  
6 (3) "Capital expenditure", an expenditure by or on behalf of a health care facility which,  
7 under generally accepted accounting principles, is not properly chargeable as an expense of  
8 operation and maintenance;  
9 (4) "Certificate of need", a written certificate issued by the committee setting forth the  
10 committee's affirmative finding that a proposed project sufficiently satisfies the criteria  
11 prescribed for such projects by sections 197.300 to 197.366;

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

12 (5) "Develop", to undertake those activities which on their completion will result in the  
13 offering of a new institutional health service or the incurring of a financial obligation in relation  
14 to the offering of such a service;

15 (6) "Expenditure minimum" shall mean:

16 (a) For beds in existing or proposed health care facilities licensed pursuant to chapter  
17 198, RSMo, and long-term care beds in a hospital as described in subdivision (3) of subsection  
18 1 of section 198.012, RSMo, six hundred thousand dollars in the case of capital expenditures,  
19 or four hundred thousand dollars in the case of major medical equipment, provided, however,  
20 that prior to January 1, 2003, the expenditure minimum for beds in such a facility and long-term  
21 care beds in a hospital described in section 198.012, RSMo, shall be zero, subject to the  
22 provisions of subsection 7 of section 197.318;

23 (b) For beds or equipment in a long-term care hospital meeting the requirements  
24 described in 42 CFR, Section 412.23(e), the expenditure minimum shall be zero; and

25 (c) For health care facilities, new institutional health services or beds not described in  
26 paragraph (a) or (b) of this subdivision one million dollars in the case of capital expenditures,  
27 excluding major medical equipment, and one million dollars in the case of medical equipment;

28 (7) "Health care facilities", [hospitals, health maintenance organizations, tuberculosis  
29 hospitals, psychiatric hospitals] **long-term care beds in a hospital as described in subdivision**  
30 **(3) of subsection 1 of section 198.012, RSMo, long-term care hospitals or beds in a long-**  
31 **term care hospital meeting the requirements described in 42 CFR Section 412.23(e),**  
32 intermediate care facilities, skilled nursing facilities, residential care facilities I and II, [kidney  
33 disease treatment centers, including freestanding hemodialysis units, diagnostic imaging centers,  
34 radiation therapy centers and ambulatory surgical facilities,] but excluding [the private offices  
35 of physicians, dentists and other practitioners of the healing arts, and] Christian Science  
36 sanatoriums, also known as Christian Science Nursing facilities listed and certified by the  
37 Commission for Accreditation of Christian Science Nursing Organization/Facilities, Inc., and  
38 facilities of not-for-profit corporations in existence on October 1, 1980, subject either to the  
39 provisions and regulations of Section 302 of the Labor-Management Relations Act, 29 U.S.C.  
40 186 or the Labor-Management Reporting and Disclosure Act, 29 U.S.C. 401-538, and any  
41 residential care facility I or residential care facility II operated by a religious organization  
42 qualified pursuant to Section 501(c)(3) of the federal Internal Revenue Code, as amended, which  
43 does not require the expenditure of public funds for purchase or operation, with a total licensed  
44 bed capacity of one hundred beds or fewer;

45 (8) "Health service area", a geographic region appropriate for the effective planning and  
46 development of health services, determined on the basis of factors including population and the  
47 availability of resources, consisting of a population of not less than five hundred thousand or

48 more than three million;

49 (9) ["Major medical equipment", medical equipment used for the provision of medical  
50 and other health services;

51 (10)] "New institutional health service":

52 (a) The development of a new health care facility costing in excess of the applicable  
53 expenditure minimum;

54 (b) The acquisition, including acquisition by lease, of any health care facility[, or major  
55 medical equipment costing in excess of the expenditure minimum];

56 (c) Any capital expenditure by or on behalf of a health care facility in excess of the  
57 expenditure minimum;

58 (d) Predevelopment activities as defined in subdivision (13) hereof costing in excess of  
59 one hundred fifty thousand dollars;

60 (e) Any change in licensed bed capacity of a health care facility which increases the total  
61 number of beds by more than ten or more than ten percent of total bed capacity, whichever is  
62 less, over a two-year period;

63 (f) Health services, excluding home health services, which are offered in a health care  
64 facility and which were not offered on a regular basis in such health care facility within the  
65 twelve-month period prior to the time such services would be offered;

66 (g) A reallocation by an existing health care facility of licensed beds among major types  
67 of service or reallocation of licensed beds from one physical facility or site to another by more  
68 than ten beds or more than ten percent of total licensed bed capacity, whichever is less, over a  
69 two-year period;

70 [(11)] **(10)** "Nonsubstantive projects", projects which do not involve the addition,  
71 replacement, modernization or conversion of beds or the provision of a new health service but  
72 which include a capital expenditure which exceeds the expenditure minimum and are due to an  
73 act of God or a normal consequence of maintaining health care services, facility or equipment;

74 [(12)] **(11)** "Person", any individual, trust, estate, partnership, corporation, including  
75 associations and joint stock companies, state or political subdivision or instrumentality thereof,  
76 including a municipal corporation;

77 [(13)] **(12)** "Predevelopment activities", expenditures for architectural designs, plans,  
78 working drawings and specifications, and any arrangement or commitment made for financing;  
79 but excluding submission of an application for a certificate of need.

197.310. 1. The "Missouri Health Facilities Review Committee" is hereby established.  
2 The agency shall provide clerical and administrative support to the committee. [The committee  
3 may employ additional staff as it deems necessary.] **The department of health shall hire and  
4 administratively supervise the clerical and administrative support to the committee.**

5           2. The committee shall be composed of:

6           (1) Two members of the senate appointed by the president pro tem, who shall be from  
7 different political parties; and

8           (2) Two members of the house of representatives appointed by the speaker, who shall  
9 be from different political parties; and

10          (3) Five members appointed by the governor with the advice and consent of the senate,  
11 not more than three of whom shall be from the same political party.

12          3. No business of this committee shall be performed without a majority of the full body.

13          4. The members shall be appointed as soon as possible after September 28, 1979. One  
14 of the senate members, one of the house members and three of the members appointed by the  
15 governor shall serve until January 1, 1981, and the remaining members shall serve until January  
16 1, 1982. All subsequent members shall be appointed in the manner provided in subsection 2 of  
17 this section and shall serve terms of [two] one year [s]. **The minority legislative member of**  
18 **the House and Senate shall be appointed by the minority floor leader of each respective**  
19 **body.**

20          5. The committee shall elect a chairman at its first meeting which shall be called by the  
21 governor. The committee shall meet upon the call of the chairman or the governor.

22          6. The committee shall review and approve or disapprove all applications for a certificate  
23 of need made under sections 197.300 to 197.366. It shall issue reasonable rules and regulations  
24 governing the submission, review and disposition of applications.

25          7. Members of the committee shall serve without compensation but shall be reimbursed  
26 for necessary expenses incurred in the performance of their duties.

27          8. Notwithstanding the provisions of subsection 4 of section 610.025, RSMo, the  
28 proceedings and records of the facilities review committee shall be subject to the provisions of  
29 chapter 610, RSMo.

197.315. 1. Any person who proposes to develop or offer a new institutional health  
2 service within the state must obtain a certificate of need from the committee prior to the time  
3 such services are offered.

4           2. Only those new institutional health services which are found by the committee to be  
5 needed shall be granted a certificate of need. Only those new institutional health services which  
6 are granted certificates of need shall be offered or developed within the state. No expenditures  
7 for new institutional health services in excess of the applicable expenditure minimum shall be  
8 made by any person unless a certificate of need has been granted.

9           3. After October 1, 1980, no state agency charged by statute to license or certify health  
10 care facilities shall issue a license to or certify any such facility, or distinct part of such facility,  
11 that is developed without obtaining a certificate of need.

12           4. If any person proposes to develop any new institutional health care service without  
13 a certificate of need as required by sections 197.300 to 197.366, the committee shall notify the  
14 attorney general, and he shall apply for an injunction or other appropriate legal action in any  
15 court of this state against that person.

16           5. After October 1, 1980, no agency of state government may appropriate or grant funds  
17 to or make payment of any funds to any person or health care facility which has not first obtained  
18 every certificate of need required pursuant to sections 197.300 to 197.366.

19           6. A certificate of need shall be issued only for the premises and persons named in the  
20 application and is not transferable except by consent of the committee.

21           7. Project cost increases, due to changes in the project application as approved or due  
22 to project change orders, exceeding the initial estimate by more than ten percent shall not be  
23 incurred without consent of the committee.

24           8. Periodic reports to the committee shall be required of any applicant who has been  
25 granted a certificate of need until the project has been completed. The committee may order the  
26 forfeiture of the certificate of need upon failure of the applicant to file any such report.

27           9. A certificate of need shall be subject to forfeiture for failure to incur a capital  
28 expenditure on any approved project within six months after the date of the order. The applicant  
29 may request an extension from the committee of not more than six additional months based upon  
30 substantial expenditure made.

31           10. Each application for a certificate of need must be accompanied by an application fee.  
32 The time of filing commences with the receipt of the application and the application fee. The  
33 application fee is one thousand dollars, or one-tenth of one percent of the total cost of the  
34 proposed project, whichever is greater. All application fees shall be deposited in the state  
35 treasury. Because of the loss of federal funds, the general assembly will appropriate funds to the  
36 Missouri health facilities review committee.

37           11. In determining whether a certificate of need should be granted, no consideration shall  
38 be given to the facilities or equipment of any other health care facility located more than a  
39 fifteen-mile radius from the applying facility.

40           12. When a nursing facility shifts from a skilled to an intermediate level of nursing care,  
41 it may return to the higher level of care if it meets the licensure requirements, without obtaining  
42 a certificate of need.

43           13. In no event shall a certificate of need be denied because the applicant refuses to  
44 provide abortion services or information.

45           14. A certificate of need shall not be required for the transfer of ownership of an existing  
46 and operational health facility in its entirety.

47           15. A certificate of need may be granted to a facility for an expansion, an addition of

48 services, a new institutional service[, or for a new hospital facility] which provides for something  
49 less than that which was sought in the application.

50 16. The provisions of this section shall not apply to facilities operated by the state, and  
51 appropriation of funds to such facilities by the general assembly shall be deemed in compliance  
52 with this section, and such facilities shall be deemed to have received an appropriate certificate  
53 of need without payment of any fee or charge.

54 17. Notwithstanding other provisions of this section, a certificate of need may be issued  
55 after July 1, 1983, for an intermediate care facility operated exclusively for the mentally retarded.

56 [18. To assure the safe, appropriate, and cost-effective transfer of new medical  
57 technology throughout the state, a certificate of need shall not be required for the purchase and  
58 operation of research equipment that is to be used in a clinical trial that has received written  
59 approval from a duly constituted institutional review board of an accredited school of medicine  
60 or osteopathy located in Missouri to establish its safety and efficacy and does not increase the  
61 bed complement of the institution in which the equipment is to be located. After the clinical trial  
62 has been completed, a certificate of need must be obtained for continued use in such facility.]

2 [197.366. The provisions of subdivision (8) of section 197.305 to the  
3 contrary notwithstanding, after December 31, 2001, the term "health care facilities"  
4 in sections 197.300 to 197.366 shall mean:

- 5 (1) Facilities licensed under chapter 198, RSMo;  
6 (2) Long-term care beds in a hospital as described in subdivision (3) of  
7 subsection 1 of section 198.012, RSMo;  
8 (3) Long-term care hospitals or beds in a long-term care hospital meeting the  
9 requirements described in 42 CFR, section 412.23(e); and  
10 (4) Construction of a new hospital as defined in chapter 197.]

2 [197.367. Upon application for renewal by any residential care facility I or  
3 II which on the effective date of this act has been licensed for more than five years,  
4 is licensed for more than fifty beds and fails to maintain for any calendar year its  
5 occupancy level above thirty percent of its then licensed beds, the division of aging  
shall license only fifty beds for such facility.]

**197.370. As used in sections 197.370 to 197.384, the following terms mean:**

- 2 (1) "Acute care facilities", hospitals, diagnostic imaging centers, radiation therapy  
3 centers, ambulatory surgical facilities and short stay specialty units;  
4 (2) "Committee", as defined in section 197.310;  
5 (3) "Develop", to undertake those activities which on their completion will result  
6 in the offering of a new institutional acute care service or a first-time service, or the  
7 incurring of a financial obligation in relation to the offering of such a service;  
8 (4) "Filed" or "filing", deliver to the staff of the committee the document or  
9 documents an applicant believes constitutes an application and the appropriate application  
10 fee;

- 11           (5) "First-time services", includes the following that are proposed in a specific  
12 location or for a mobile unit:
- 13           (a) Magnetic resonance imaging (MRI), positron emission tomography (PET) and  
14 linear acceleration (radiation therapy);
- 15           (b) Open-heart surgery;
- 16           (c) Cardiac catheterization labs;
- 17           (d) Lithotripsy units;
- 18           (e) Gamma knife; or
- 19           (f) Other emerging technology that exceeds two million dollars;
- 20           (6) "New institutional acute care service":
- 21           (a) The development of a new acute care facility;
- 22           (b) The acquisition, including acquisition by lease, of any acute care facility or first-  
23 time service;
- 24           (c) Any change in a licensed bed capacity of a hospital that increases the total  
25 number of beds by more than ten beds or more than ten percent of total bed capacity,  
26 whichever is less, over a two-year period;
- 27           (d) A reallocation by an existing acute care facility of licensed beds from one  
28 physical facility or site to another by more than ten beds or more than ten percent of total  
29 licensed bed capacity, whichever is less, over a two-year period;
- 30           (7) "Nonreviewable projects", those projects involving renovation or replacement  
31 of existing facilities or portions of facilities, or same services in a current location whose  
32 cost is below ten million dollars;
- 33           (8) "Nonsubstantive projects", projects which do not involve the addition,  
34 replacement or modernization of beds or the provision of a new institutional acute care  
35 service, including all projects, regardless of cost, that are due to an act of God or a normal  
36 consequence of maintaining acute care services, facility or equipment;
- 37           (9) "Person", any individual, trust, estate, partnership, corporation, including  
38 associations and joint stock companies, state or political subdivision or instrumentality  
39 thereof, including a municipal corporation;
- 40           (10) "Review certification", a written certificate issued by the committee setting  
41 forth the committee's affirmative finding that a proposed project described in sections  
42 197.370 to 197.384 sufficiently satisfies the criteria prescribed for such projects by sections  
43 197.370 to 197.384;
- 44           (11) "Total expenditure", an expenditure by or on behalf of an acute care facility  
45 which, under generally accepted accounting principles, is not properly chargeable as an  
46 expense of operation and maintenance; except for, in all cases, costs to lease property,

47 buildings or equipment necessary to establish a first-time service or a new institutional  
48 acute care service, which must be included in the total project cost.

2 197.372. The health facilities review committee for projects described in sections  
2 197.370 to 197.384 shall:

3 (1) Review and approve or disapprove all applications for a review certification  
4 made pursuant to sections 197.370 to 197.384. The committee shall issue reasonable rules  
5 governing the submission, review and disposition of applications;

6 (2) Notify the applicant within fifteen days of the date of filing of an application as  
7 to the completeness of such application as defined by rule;

8 (3) Provide written notification to affected persons located within this state at the  
9 beginning of a review. The notification may be given through publication of the review  
10 schedule in all newspapers of general circulation in the area to be served;

11 (4) Hold public hearings on all applications when a request in writing is filed by  
12 any affected person within thirty days from the date of publication of the notification of  
13 review;

14 (5) Within one hundred days of the filing of any application, issue in writing its  
15 findings of fact, conclusions of law, and its approval or denial of the review certification;  
16 provided, that the committee may grant an extension of not more than thirty days on its  
17 own initiative or upon the written request of any affected person;

18 (6) Send to the applicant a copy of the aforesaid findings, conclusions and  
19 decisions; copies shall be available to any person upon request;

20 (7) Consider the needs and circumstances of institutions providing training  
21 programs for health personnel;

22 (8) Consider the predominant ethnic, cultural or religious compositions of the  
23 residents to be served by an acute care facility in considering whether to grant a review  
24 certification;

25 (9) Provide for the availability, based on demonstration of need, of both medical  
26 and osteopathic facilities and services to protect the freedom of patient choice;

27 (10) Failure by the committee to issue a written decision on an application for  
28 review certification within the time required by this section shall constitute approval of and  
29 the final administrative action on the application and shall be subject to appeal pursuant  
30 to section 197.376 only on the question of approval by operation of law; and

31 (11) Establish by regulation a brief reporting format, sworn and notarized, for  
32 nonsubstantive and nonreviewable projects.

2 197.374. 1. Any person who proposes to develop or offer a new institutional acute  
2 care service or a first-time service shall submit a letter of intent to the committee at least



3 thirty days prior to the filing of the application.

4 2. An application fee shall accompany each application for a review  
5 certification. The time of filing commences with the receipt of the application and the  
6 fee. The fee shall be one thousand dollars or one-tenth of one percent of the total project,  
7 whichever is greater. All application fees shall be deposited in the state treasury. The  
8 general assembly will appropriate funds to the Missouri health facilities review committee.

197.376. Within thirty days of the decision of the committee, the applicant may file  
2 an appeal pursuant to chapter 621, RSMo. Any subsequent appeal venue shall be the  
3 circuit court in the county within which such acute care service or facility is proposed to  
4 be developed.

197.378. 1. For the purpose of submitting an application for review certification,  
2 any person who proposes to develop or offer a new institutional acute care service shall  
3 obtain a review certification from the committee prior to the time such services are offered.

4 2. Any person who proposes a first-time service shall obtain a review certification  
5 from the committee prior to the time such services are offered.

6 3. Any person who proposes to add new, not previously licensed, beds to an existing  
7 hospital shall obtain a review certification. This shall not preclude the addition or transfer  
8 of beds without review certification as defined in paragraphs (c) and (d) of subdivision (6)  
9 of section 197.370.

10 4. Any person who proposes to renovate or replace a project in a current location  
11 whose cost is over ten million dollars must obtain a review certification.

12 5. Only those new institution acute care services or first-time services that are  
13 found by the committee to meet the health needs of the community served shall be granted  
14 a review certification. A review certification may be granted if an applicant can  
15 demonstrate that need exists for a competitive alternative to existing facilities in highly  
16 concentrated metropolitan markets.

17 6. A review certification shall be issued only for the premises and persons named  
18 in the application and is not transferable except by the consent of the committee.

19 7. Project cost increases, exceeding the initial estimate by more than ten percent  
20 shall not be incurred without consent of the committee.

21 8. Periodic reports to the committee shall be required of any applicant who has  
22 been granted a review certification until the project has been completed. The committee  
23 may order the forfeiture of the review certification upon failure of the applicant to file any  
24 such report.

25 9. A review certification shall be subject to forfeiture for failure to incur  
26 expenditures equal to twenty percent of the total approved cost of any project within

27 twelve months after the date of the order. The applicant may request an extension from  
28 the committee to avoid forfeiture.

29       **10. No state agency charged by statute to license or certify acute care facilities shall**  
30 **issue a license to or certify any such facility, or distinct part of such facility, that is**  
31 **developed and is required to have a review certification, without first obtaining a review**  
32 **certification.**

33       **11. No state agency may appropriate or grant funds to or make payment of any**  
34 **funds to any person or acute care facility that has not first obtained every review**  
35 **certification required pursuant to sections 197.370 to 197.384.**

36       **12. In no event shall a review certification be denied because the applicant refuses**  
37 **to provide abortion services or information.**

38       **13. A review certification shall not be required for the transfer of ownership of an**  
39 **existing and operational acute care facility in its entirety.**

40       **14. A review certification may be granted for something less than that which was**  
41 **sought in the original application.**

42       **15. To assure the safe, appropriate, and cost-effective transfer of new medical**  
43 **technology throughout the state, a review certification shall not be required for the**  
44 **purchase and operation of research equipment that is to be used in a clinical trial that has**  
45 **received written approval from a duly constituted institutional review board of an**  
46 **accredited school of medicine or osteopathy located in Missouri to establish its safety and**  
47 **efficiency and does not increase the bed complement of the institution in which the**  
48 **equipment is to be located. After the clinical trial has been completed, a review**  
49 **certification must be obtained for continued use in such facility.**

**197.380. Review certification is not required for:**

2       **(1) Facilities operated by the state and appropriation of funds to such facilities by**  
3 **the general assembly shall be in compliance, and such facilities shall be deemed to have**  
4 **received an appropriate review certification without any fee or charge;**

5       **(2) Nonreviewable projects pursuant to subdivision (7) of section 197.370 or**  
6 **nonsubstantive projects pursuant to subdivision (8) of section 197.370.**

**197.382. For the purposes of reimbursement pursuant to section 208.152, RSMo,**  
2 **project costs for new institutional acute care services in excess of ten percent of the initial**  
3 **project estimate regardless of whether approval was obtained pursuant to subsection 7 of**  
4 **section 197.378 shall not be eligible for reimbursement for the first three years that a**  
5 **facility receives payment for services provided pursuant to section 208.152, RSMo. The**  
6 **initial estimate shall be that amount for which the original review certificate was**  
7 **obtained. Reimbursement for these excess costs after the first three years shall not be**

8 made until a review certification has been granted for the excess project costs. The  
9 provisions of this section shall apply only to facilities which file an application for a review  
10 certification or make application for cost-overflow review of their original application or  
11 waiver.

197.384. The committee shall have the power to promulgate reasonable rules,  
2 regulations, criteria and standards in conformity with this section and chapter 536, RSMo,  
3 to meet the objectives of sections 197.300 to 197.384 including the power to establish  
4 criteria and standards to review new types of equipment or service. Any rule or portion  
5 of a rule, as that term is defined in section 536.010, RSMo, that is created under the  
6 authority delegated in sections 197.300 to 197.384 shall become effective only if it complies  
7 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section  
8 536.028, RSMo. All rulemaking authority delegated prior to August 28, 2001, is of no force  
9 and effect and repealed. Nothing in this section shall be interpreted to repeal or affect the  
10 validity of any rule filed or adopted prior to August 28, 2001, if it fully complied with all  
11 applicable provisions of the law. This section and chapter 536, RSMo, are nonseverable  
12 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,  
13 to review, to delay the effective date or to disapprove and annul a rule are subsequently  
14 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
15 adopted after August 28, 2001, shall be invalid and void.

Section 1. 1. The department of economic development shall conduct a study on  
2 the economic impact of Missouri's certificate of need program for the period beginning  
3 January 1, 1980, and ending June 1, 2001, with an emphasis on the investigation of those  
4 projects rejected by the health facilities review committee during such period and those  
5 projects withdrawn from consideration. The study shall:

6 (1) Quantify the costs to Missouri health providers associated with compliance with  
7 Missouri's certificate of need program during such period, including a study of the  
8 amounts paid for certificate of need filing fees and fees to consultants, attorneys and  
9 lobbyists by applicants for projects approved by the health facilities review committee  
10 during such period;

11 (2) Include results of targeted focus groups and personal interviews with hospital,  
12 physician applicants to the certificate of need program to determine the impact of  
13 compliance with the certificate of need program on the private health planning process;

14 (3) Determine the economic impact of Missouri's certificate of need program in  
15 those areas of the state where bordering states have lesser or no certificate of need  
16 requirements, including quantifying lost jobs and revenue to the state of Missouri as a  
17 result of health care projects and facilities that located outside Missouri as a result of

18 **Missouri's certificate of need requirements; and**

19 **(4) Estimate the loss of competitive alternative health care facilities to Missouri's**  
20 **citizens as a result of the certificate of need program.**

21 **2. In conducting the study, the department may engage the services of consulting**  
22 **engineering firms, certified public accountants and health care consultants.**

23 **3. The department of economic development shall submit the completed study to**  
24 **the governor and general assembly by May 1, 2002.**

**Section 2. Any skilled nursing facility which has a private pay resident and the**  
2 **resident has resided in the facility for a period in excess of 90 days prior to being eligible**  
3 **for Medicaid reimbursement, then the facility shall be authorized to receive Medicaid**  
4 **reimbursement on behalf of the resident.**